



Rep. Scott Drury

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LRB098 10953 JWD 44184 a

1 AMENDMENT TO HOUSE BILL 2958

2 AMENDMENT NO. _____. Amend House Bill 2958, AS AMENDED, by
3 replacing everything after the enacting clause with the
4 following:

5 "Section 1. Short title. This Act may be cited as the
6 Economic Policy Planning Act.

7 Section 5. Findings and purpose. The General Assembly finds
8 that:

9 (a) The State of Illinois does not currently have a
10 comprehensive policy on economic development incentives.
11 Instead, the State has a wide variety of incentives reducing
12 specific State or local tax burdens that are provided mostly
13 upon request by citizens and corporations. This creates an
14 uncertain tax environment for businesses in Illinois and, as
15 witnessed during the fall 2011 veto session, can leave the
16 State vulnerable to competition from other states that have

1 tried to entice businesses with financial incentives to
2 relocate or expand outside of Illinois.

3 (b) In Fiscal Year 2010, the State spent a total of
4 \$313,600,000 on tax incentives for businesses. According to
5 2009 Illinois Department of Revenue data, only 0.7% of the more
6 than 450,000 corporations filing taxes in Illinois take
7 advantage of these tax incentives.

8 (c) The State of Illinois must develop a formal economic
9 development policy to guide the awarding of incentives. A
10 transparent economic development policy would effectively curb
11 economic brinksmanship by Illinois businesses by creating a
12 predictable process for applying for and earning tax
13 incentives. Such a policy needs to be in place before the State
14 renews, expands, or creates any economic development
15 incentives, and to guide policy makers in determining which tax
16 incentives are most beneficial to the State.

17 Section 10. Economic Policy Planning Commission.

18 (a) There is created the Economic Policy Planning
19 Commission. The Commission shall have 10 voting members
20 appointed as follows:

21 One member of the General Assembly, who shall serve as
22 co-chairperson, and one member of the public appointed by
23 the President of the Senate;

24 One member of the General Assembly and one member of
25 the public appointed by the Minority Leader of the Senate;

1 One member of the General Assembly, who shall serve as
2 co-chairperson, and one member of the public appointed by
3 the Speaker of the House of Representatives;

4 One member of the General Assembly and one member of
5 the public appointed by the Minority Leader of the House of
6 Representatives; and

7 2 members appointed by the Governor.

8 The Director of the Department of Commerce and Economic
9 Opportunity, or his or her designee, the Director of the
10 Department of Revenue, or his or her designee, the
11 Secretary of the Department of Transportation, or his or
12 her designee, the Executive Director of the Capital
13 Development Board, or his or her designee, and the
14 Executive Director of the Illinois Finance Authority, or
15 his or her designee, shall serve as non-voting, ex-officio
16 members of the Commission.

17 (b) The co-chairpersons may appoint such other individuals
18 as they may deem helpful as non-voting members of the
19 Commission.

20 (c) The members of the Commission shall serve without
21 compensation, but may be reimbursed for expenses from funds
22 appropriated for that purpose.

23 (d) The Department of Commerce and Economic Opportunity
24 shall provide administrative support, together with meeting
25 space, to assist the Commission in fulfilling its mission.

26 (e) All appointments required by this Section shall be made

1 within 60 days of the effective date of this Act.

2 Section 15. Meetings.

3 (a) The Commission shall conduct meetings, conference
4 calls, or both, as the co-chairpersons shall direct, and shall
5 conduct at least 2 public hearings, as the co-chairpersons
6 shall direct, before filing its final written findings and
7 recommendations as provided in Section 25 of this Act.
8 Additional public hearings may be held at the discretion of the
9 co-chairpersons.

10 (b) The public hearings shall be held at geographically
11 convenient locations around the State. The locations, dates and
12 times of the public hearings shall be determined by the
13 co-chairpersons, on a schedule that is publicly announced in
14 area newspapers, State buildings, websites, and other media no
15 less than 2 weeks in advance of each hearing. All hearings
16 shall be completed at least 2 months prior to the time for
17 submission of the final written findings and recommendations as
18 provided in Section 25 of this Act.

19 (c) At the public hearings, the Commission shall allow
20 interested persons to present their views and comments and to
21 present any written literature, statements, articles, or
22 comments. Based on attendance and time frames, the Commission
23 may set limits for the time each speaker may comment. These
24 hearings may be continued if all persons could not be heard.

1 Section 20. Activities and purpose.

2 (a) The Commission will conduct a thorough review of the
3 current economic condition of the State of Illinois, which may
4 include its natural resources, geography, infrastructure,
5 businesses, workforce, and educational system, within the
6 context of the national and international economy.

7 (b) The Commission will also conduct a thorough review of
8 relevant and available studies relating to the current economic
9 condition of the State of Illinois as compared to other states,
10 and the nation, including those studies conducted by
11 governments, universities, and reputable groups and
12 institutions. The Commission shall also conduct a review of all
13 laws and regulations relating to economic planning in the State
14 of Illinois, other states, and the nation.

15 (c) Through the public hearings required in Section 15 of
16 this Act and otherwise, the Commission will gather information,
17 review studies, evaluate testimony, and consider and summarize
18 written comments received, and shall make written findings and
19 recommendations as required in Section 25 of this Act.

20 Section 25. Report; legislation.

21 (a) The Commission shall make its report to the General
22 Assembly on or before December 31, 2014. The report of the
23 Commission shall detail those findings and recommendations
24 supported by a majority of the voting members.

25 (b) The findings and recommendations shall include, but are

1 not limited to:

2 (1) Specific goals and objectives for the economy of
3 the State of Illinois, including but not limited to: target
4 economic sectors, business retention or recruitment,
5 geographic focus, job creation, blight mitigation,
6 improving economically distressed neighborhoods, and
7 environmental improvements. The goals and objectives shall
8 be stated in measurable terms, so that they can be used to
9 provide context and accountability for the use of economic
10 development incentives.

11 (2) Specified types of economic development
12 incentives, including eligibility and qualifications for
13 individual firms, maximum funding for particular programs,
14 the jurisdictions that will use them and the extent to
15 which those jurisdictions may use them.

16 (3) A clearly defined evaluation process for each type
17 of economic development incentive, including, but not
18 limited to:

19 (A) how a proposal measures up to established
20 economic development criteria;

21 (B) a cost/benefit analysis;

22 (C) an evaluation of tax base impact, both in terms
23 of increases in taxable value and, where a Tax
24 Increment Financing District is proposed, the impact
25 on all overlapping taxing jurisdictions;

26 (D) an analysis of the impact of a project on

1 existing businesses;

2 (E) a determination of whether the project would
3 have proceeded if the incentive is not provided; and

4 (F) the required documentation for demonstrating
5 these criteria.

6 (4) Specific performance standards for each project
7 receiving economic development incentives, to help gauge
8 the effectiveness of both the specific economic
9 development incentives provided as well as the State's
10 overall economic development program, together with the
11 recovery of promised financial benefits, through clawbacks
12 or linkage agreements, of recipients failing to fulfill
13 their commitments.

14 (5) A process for ongoing and regular monitoring of the
15 economic development incentives granted and the
16 performance of each project receiving incentives,
17 including the designation or creation of a State agency or
18 other body to provide the monitoring. Ongoing and regular
19 monitoring must include, at a minimum, the examination of
20 performance standards relative to each economic
21 development agreement, and the determination of whether
22 the goals for each project have been achieved within the
23 defined timeframe.

24 (c) In addition to the report, the Commission shall provide
25 to the General Assembly its recommendations in the form of
26 legislation. The Legislative Reference Bureau shall provide

1 drafting assistance to the Commission.

2 Section 30. Repealer. This Act is repealed on December 31,
3 2015.

4 Section 99. Effective date. This Act takes effect upon
5 becoming law.".